1099 CORRECTIONS TYPE 1 & 2 AND 1099 ADDITIONS
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Correcting Information Returns

If you filed an Information Return with the IRS and later discover you have made an error on it, you must:

- Correct it as soon as possible
- Furnish statements to recipients showing the correction
- File the correction with the IRS

The steps required to correct an error depend upon the type of error.
Correcting Error Type 1 – CORR (G)
If you discover an error in reporting the **payer** (not recipient) name and/or TIN

**NOTE:** Please contact OFM Help Desk at HereToHelp@ofm.wa.gov first. You will need the Transmitter Control Code (TCC) we used to transmit your original information returns.

Write a letter to IRS/IRB containing the following information:

- The name and address of the payer
- Type of error (including the incorrect payer name/TIN that was reported)
- Tax year
- Payer TIN
- **Transmitter Control Code (TCC), if applicable**
  - Type of return
  - Number of payees
  - Filing method (paper, electronic)
  - Was Federal income tax withheld?

Send the letter to

Internal Revenue Service
Information Returns Branch
230 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430

IRS will contact you with further instructions
If you discover an Error Type 1

- Also referred to as a 1-Transaction error, Error Type 1 includes
- Incorrect money amounts
- Incorrect distribution code(s)
- Incorrect check boxes
- A return was filed when one should not have been filed.

1-Transaction errors require only one return to make the correction. Account Ability uses the CORR(G) check box to indicate a 1-Transaction correction (see Correcting Returns with Account Ability below).

Email OFM that you have 1099-NEC or 1099-MISC Reporting Corrections

If you have 1099 corrections to process, please email the OFM Help Desk at HereToHelp@ofm.wa.gov first.

Please use the following email template to submit your 1099 corrections request. Please enter your agency code in place of AGY CODE. Please enter your agency name in place of AGY NAME.

<table>
<thead>
<tr>
<th>Please enter in the Subject line of the email</th>
<th>AGY CODE – AGY NAME Needs Correction Client 20XX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please enter in the Body of the email</td>
<td>Please create a Correction Client 20XX for AGY CODE – AGY NAME.</td>
</tr>
<tr>
<td></td>
<td>1.) Our Agency has 1099-NEC corrections to process for 20XX’s information returns.</td>
</tr>
<tr>
<td></td>
<td>OR</td>
</tr>
<tr>
<td></td>
<td>2.) Our Agency has 1099-MISC corrections to process for 20XX’s information returns.</td>
</tr>
</tbody>
</table>

OFM Help Desk will create a service request number and you will be notified. OFM IT creates a Correction Client in Account Ability that will allow your agency to make 1099 corrections.

Correct Returns in Account Ability – Error Type 1

Account Ability maintains each filer’s corrected returns under a distinct Client ID. When the Corrected Returns Only indicator, located on the General page of the client’s master, is
1099 Reporting (Account Ability) Correcting Error Type 1 CORR(G)

checked, the client is regarded as a Correction Client and all of the client's Information Returns are regarded as correction returns. The CORR(G) and CORR(C) check boxes appearing at the top of each Information Return's user interface will be enabled if, and only if, the client is a Correction Client.

OFM IT Create a Correction Client

The Correction Client that OFM IT created will be used for all of the selected client's correction returns.

**NOTE:** Account Ability displays the Correction Client's ID in green.

**NOTE:** OFM IT will communicate to Requesting Agency the Correction Client ID created.

OFM IT will create the Correction Client ID using the 4th digit of the existing 8-characters Client ID format to designate the Correction Client for specific tax reporting calendar year.

For example, the current Client ID is as follow for the Department of Corrections (DOC):

310C20XX

“310” is DOC agency code

“0” is DOC agency suffix code

“20XX” is the tax reporting calendar year.

Your Correction Client would be created as 310C20XX.

Agency will then be able to make your corrections in the Correction Client. Agency will need to follow these instructions in making your corrections:

1) Agency Open the Returns to be corrected

Last updated: 07/31/20
1099 Reporting (Account Ability) Correcting Error Type 1 CORR(G)

- a) Double-click the Correction Client’s ID
- b) Open the Information Return to be corrected (1099-NEC or 1099-MISC)

2) Agency Enter your Corrections
- a) Select New... from the File menu
- b) Check the CORR(G) check box
- c) Click the Locator icon displayed directly after the TIN Type field in order to locate the return to be corrected
1099 Reporting (Account Ability) Correcting Error Type 1 CORR(G)

d) Enter the search information in the Search Characters field

![Search Characters field](image)

e) After locating the return, click the Type 1 button

![Type 1 button](image)

f) Once the Type 1 is clicked, the original return is displayed with the CORR(G) indicator checked. Simply enter and save your corrections.
Error Type 1 includes:

- Incorrect money amounts
- Incorrect distribution code(s)
- Incorrect check boxes
- A return was filed when one should not have been filed.

After all corrections have been entered, print and mail all recipient copies.
Notify OFM IT of Corrections made in Account Ability

After printing, use the service request ticket that OFM Help Desk created and notify OFM IT of Corrections completed in Account Ability.

OFM IT will electronically file your 1099 corrections

OFM IT will append the CORR(G) and CORR(C) transactions to the IRSTAX file in two steps - first the CORR(G) transactions, next the CORR(C) transactions. The resultant IRSTAX file should be transmitted to the IRS FIRE System as a Correction file.

OFM IT will then lock the correction client in Account Ability.
Correcting Error Type 2 – CORR (C)
If you discover an Error Type 2

- Also referred to as a 2-Transaction error, Error Type 2 includes
- No payee TIN (SSN, EIN, QI-EIN, ITIN)
- Incorrect payee TIN
- Incorrect payee name
- Wrong type of return was filed

(Effective reporting year 2019, payee address changes no longer require a correcting return to the IRS. Simply print and mail the return to the new payee address without making changes in Account Ability and without checking the printed flag)

2-Transaction errors require two returns to make the correction, an IDENTIFYING return and a CORRECTING return. Account Ability uses the CORR(G) and CORR(C) check boxes to indicate the IDENTIFYING and CORRECTING returns, respectively. The IDENTIFYING transaction is simply the original return with the CORR(G) indicator checked and all dollar amounts set to ZERO. When IRS receives the IDENTIFYING and CORRECTING returns, the original is matched against the IDENTIFYING return and replaced with the CORRECTING return.

Email OFM IT that you have 1099-NEC or 1099-MISC Reporting Corrections

If you have 1099 corrections to process, please email OFM Help Desk at HereToHelp@ofm.wa.gov first.

Please use the following email template to submit your 1099 corrections request.
Please enter your agency code in place of AGY CODE. Please enter your agency name in place of AGY NAME.

<table>
<thead>
<tr>
<th>Please enter in the <strong>Subject</strong> line of the email</th>
<th><strong>AGY CODE – AGY NAME</strong> Needs Correction Client 20XX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please enter in the <strong>Body</strong> of the email</td>
<td>Please create a Correction Client 20XX for <strong>AGY CODE – AGY NAME</strong>.</td>
</tr>
<tr>
<td></td>
<td>1.) Our Agency has 1099-NEC corrections to process for 20XX’s information returns. OR</td>
</tr>
<tr>
<td></td>
<td>2.) Our Agency has 1099-MISC corrections to process for 20XX’s information returns.</td>
</tr>
</tbody>
</table>

OFM Help Desk will create a service request number and you will be notified. OFM IT creates a Correction Client in Account Ability that will allow your agency to make 1099 corrections.
Correct Returns in Account Ability – Error Type 2

Account Ability maintains each filer’s corrected returns under a distinct Client ID. When the Corrected Returns Only indicator, located on the General page of the client's master, is checked, the client is regarded as a Correction Client and all of the client’s Information Returns are regarded as correction returns. The CORR(G) and CORR(C) check boxes appearing at the top of each Information Return’s user interface will be enabled if, and only if, the client is a Correction Client.

NOTE: Account Ability displays the Correction Client’s ID in green.

OFM IT will communicate to Requesting Agency the Correction Client ID created.

OFM IT will create the Correction Client ID using the 4th digit of the existing 8-characters Client ID format to designate the Correction Client for specific tax reporting calendar year.

For example, the current Client ID is as follow for the Department of Corrections (DOC):

310C20XX

“310” is DOC agency code
“0” is DOC agency suffix code
“20XX” is the tax reporting calendar year.

Your Correction Client would be created as 310C20XX.

You will then be able to make your corrections in the Correction Client. Agency will need to follow these instructions in making your corrections.

2) Agency Open the Returns to be corrected
   a) Double-click the Correction Client’s ID
   b) Open the Information Return to be corrected
3) Agency Enter your Corrections

   a) Select New... from the **File** menu

   b) Check the **CORR(G)** check box
c) Click the Locator icon displayed directly after the TIN Type field in order to locate the return to be corrected.

d) Enter the search information in the Search Characters field.
e) After locating the return, click the Type 2 button. When Type 2 is selected, the IDENTIFYING transaction CORR(G) is created.

d) Click Yes to create the CORRECTION transaction CORR(C)

g) A CORRECTING transaction CORR(C) is created but not posted, click OK
h) Enter and save your changes on the CORRECTING CORR(C) transaction

The IDENTIFYING transaction is simply the original return with the CORR(G) indicator checked and all dollar amounts set to ZERO.
After all corrections have been entered, print and mail all recipient copies.
1099 Reporting (Account Ability) Correcting Error Type 2 CORR(C)

DEPT OF CORRECTIONS (CAPITAL/WQ)
ALISSA RACHECO
PO BOX 41107
OLYMPIA WA 98504

Telephone: 360-725-8261

RECEIVED: 91-1142111

C.R. TAYLOR LAW P5
203 45TH AVENUE E SUITE 407
OLYMPIA WA 98501

Account number (see instructions)

FATCA tiling requirement

1099-MISC

Department of the Treasury - Internal Revenue Service
1099 Reporting (Account Ability) Correcting Error Type 2 CORR(C)

Notify OFM IT of Corrections made in Account Ability

After printing, use the service request ticket that OFM Help Desk created and notify OFM IT of Corrections completed in Account Ability.

OFM IT will electronically file your 1099 corrections

OFM IT will append the CORR(G) and CORR(C) transactions to the IRSTAX file in two steps - first the CORR(G) transactions, next the CORR(C) transactions. The IRSTAX file should be transmitted to the IRS FIRE System as a Correction file.

OFM IT will lock the correction client in Account Ability.
Add Additional 1099-MISC
Add additional 1099-misc forms to Account Ability

If you have additional 1099-misc forms to add, please email OFM Help Desk at HereToHelp@ofm.wa.gov.

Please use the following email template to submit your 1099 additions request.

| Please enter in the Subject line of the email | AGY CODE – AGY NAME Needs to add additional 1099-NEC or 1099-MISC to 20XX Client |
| Please enter in the Body of the email | Please unlock AA20XX_PR Client for AGY CODE – AGY NAME to add additional 1099 form. |
| | 1.) Our Agency has missed reporting 1099-NEC form(s) in our original filing. |
| | OR |
| | 2.) Our Agency has missed reporting 1099-MISC form(s) in our original filing. |

OFM Help Desk will create a service request number and notify you of the service request number. Please use this service number to communicate with OFM IT any questions relating to the specific 1099 additions.

Add/Print-Mail your additional 1099 form(s).

a) OFM IT unlock the client
b) OFM IT set e-file indicators
   When the e-file indicator is checked, this client is ready to be included in the next e-file
c) OFM IT clear print indicators
   When the printed flag is unchecked, this allows the agency to print the selected 1099 form(s).

OFM IT notify Agency of the availability of the client in Account Ability.

1. Agency add/print/mail the additional 1099 form(s)
   a) **New** - When you are adding a “New” 1099 form(s), the Efie and 1096 indicators default as checked. Please ensure that these two indicators stay checked. The checkmark for the Efie and 1096 indicator is a flag for OFM IT to include the returns in the next e-file.
b) **TIN Type** – Please ensure that you have selected the correct TIN type

c) **Recipient’s ID Number** – Please ensure that you have nine digits information in this field

d) **Name Line 1** – In Account Ability, enter the Last Name first and then First Name. For example, if the recipient name is Mary Smith, enter in Account Ability as Smith Mary.

e) **Address Line 1** – Ensure that you enter an address in Address Line 1

f) **Click Save [F8]** – when you see a pencil, Account Ability is indicating that you need to save the changes. Click on the green checkmark to save any changes.

g) **Print Forms for Selected Record** - please always PDF print, save the PDF to your local secure folder, and print the PDF from that secure folder. If you do not have Adobe PDF or CutePDF, please contact your Agency IT for assistance.

If you received the following error upon selecting Print Forms for Selected Record, you will need to clear the Printed flag and try again.

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**Agency Notify OFM IT of Additions made in Account Ability**

When you have added all the additional 1099 forms, please use the service request assigned to your request to notify OFM IT that you have completed your additions.

**OFM IT electronically file Agency’s 1099 additions**

OFM IT will file your additions in the next scheduled e-filing.